

Exhibit B



Form DEF 14A

Macy's, Inc. - M

Filed: April 04, 2007 (period: May 18, 2007)

Official notification to shareholders of matters to be brought to a vote (Proxy)

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement

☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

☒ Definitive Proxy Statement

☐ Definitive Additional Materials

☐ Soliciting Material under Rule 14a-12

Federated Department Stores, Inc.

Name of the Registrant as Specified In Its Charter

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

☐ Fee paid previously with preliminary materials.

☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid:

Form, Schedule or Registration Statement No.:

Filing Party:

Date Filed:

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- FIL has sole power to dispose of the 3,439,788 shares described in clause (c) above, sole power to vote 3,128,968 of such shares and no power to vote 310,820 of such shares.
- A partnership controlled predominantly by family members of Edward C. Johnson 3d or trusts for their benefit owns shares of FIL voting stock with the right to cast approximately 47% of the total votes that may be cast by all holders of FIL voting stock.
- Edward C. Johnson 3d and FMR, through its control of PGALLC, each has sole power to dispose of and vote the 212,500 shares described in clause (e) above.
- Edward C. Johnson 3d and FMR, through its control of PGATC, each has sole power to dispose of the 1,364,615 shares described in clause (f) above and sole power to vote 1,350,015 of such shares.

According to the FMR Schedule 13G, Edward C. Johnson 3d and various Johnson family members are the predominant owners of the Series B shares of common stock of FMR, representing approximately 49% of the voting power of FMR. According to the FMR Schedule 13G, through their ownership of FMR's voting common stock and related agreements, members of the Johnson family may be deemed to form a controlling group with respect to FMR.

Stock Ownership of Directors and Executive Officers. The following table sets forth the shares of common stock beneficially owned (or deemed to be beneficially owned pursuant to the rules of the Securities and Exchange Commission, referred to as the SEC), as of March 23, 2007 by each Federated director who is not an employee of Federated, referred to as a Non-Employee Director, by each executive named on the 2006 Summary Compensation Table, referred to as a Named Executive, and by Federated's directors and executive officers as a group. The business address of each of the individuals named in the table is 7 West Seventh Street, Cincinnati, Ohio 45202.

Name	Number of Shares		Percent of Class
	(1)	(2)	
Meyer Feldberg	76,853	63,500	less than 1%
Sara Levinson	70,122	67,000	less than 1%
Joseph Neubauer	103,540	63,500	less than 1%
Joseph A. Pichler	71,300	63,500	less than 1%
Joyce M. Roché	4,492	2,500	less than 1%
William P. Stiritz(3)	570,174	2,918	less than 1%
Karl M. von der Heyden	80,900	63,500	less than 1%
Craig E. Weatherup	69,500	63,500	less than 1%
Marna C. Whittington	86,266	63,500	less than 1%
Terry J. Lundgren	2,638,210	2,432,564	less than 1%
Karen M. Hogue	587,394	493,982	less than 1%
Thomas G. Cody	615,222	559,714	less than 1%
Thomas L. Cole	628,439	540,424	less than 1%
Janet E. Grove	612,057	560,342	less than 1%
Susan D. Kronick	624,369	539,726	less than 1%
Ronald W. Tysoe	594,696	593,750	less than 1%
All directors and executive officers as a group (17 persons)(4)	6,951,703	5,685,974	1.5%

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(1)

Aggregate number of shares of common stock currently held or which may be acquired within 60 days after March 23, 2007 through the exercise of options granted under Federated's 1995 Executive Equity Incentive Plan, referred to as the 1995 Equity Plan. Includes shares pledged as security in brokerage firm customary margin accounts, as follows: Stiritz, 407,256 shares; Whittington, 7,954 shares.

(2) Number of shares of common stock which may be acquired within 60 days after March 23, 2007 through the exercise of options granted under the 1995 Equity Plan.

(3) Includes 100,000 shares held by Mr. Stiritz' spouse and 60,000 shares held by his son.

(4) Mr. Tysoe ceased to be an executive officer in October 2006 when he resigned from his position as Vice Chair of Federated. Consequently, his holdings are not included.

Securities Authorized for Issuance Under Equity Compensation Plans. The following table presents certain aggregate information, as of February 3, 2007, with respect to the 1995 Equity Plan and Federated's 1994 Stock Incentive Plan, referred to as the 1994 Stock Plan (included on the line captioned "Equity compensation plans approved by security holders").

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	40,644,498	\$ 26.99	27,420,704
Equity compensation plans not approved by security holders	0	0	0
Total	40,644,498	\$ 26.99	27,420,704

The foregoing table does not reflect shares of restricted stock previously issued under the 1995 Equity Plan or the 1994 Stock Plan. As of February 3, 2007:

- 387,000 shares of restricted stock were outstanding and subject to possible forfeiture, and
- 3,808,000 shares of common stock were available for future issuance as restricted stock or restricted stock units under the 1995 Equity Plan and the 1994 Stock Plan.

The shares remaining available for future issuance as restricted stock or restricted stock units are included in the totals reflected in column (c). Under the 1995 Equity Plan and the 1994 Stock Plan, if these shares are not issued as restricted stock they may be made subject to grants of stock options.

The foregoing table does not reflect stock credits issued under Federated's Executive Deferred Compensation Plan, the Director Deferred Compensation Plan, and the Associated Dry Goods Corporation Executives Deferred Compensation Plan (assumed by Federated in connection with its acquisition of May), which plans have not been approved by Federated's stockholders. Pursuant to the Executive Deferred Compensation Plan, eligible executives may elect to receive a portion of their cash compensation in the form of stock credits. For a discussion of stock credits issued to Non-Employee Directors under the Director Deferred Compensation Plan, see "Further Information Concerning the Board of Directors — Director Compensation" and "Item 5. Approval of the Issuance of Common Stock Under the Director Deferred Compensation Plan." Pursuant to the Associated Dry Goods Corporation Executives Deferred Compensation Plan, participants elected to receive a portion of their cash compensation in the form of stock credits.

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on the same payment date as other Federated stockholders receive dividends on the Federated common stock they own. For a more detailed description of the restricted stock grants, see the “Special 2006 Retention Grants” discussion in the “Compensation Discussion and Analysis.”

Stock Credits. The CMD Committee authorized a new stock credit plan for the 2006-2007 performance period for senior management, including the Named Executives. For the Named Executives other than Mr. Tysoe, the stock credits consist of both core stock credits with performance objectives relating to the Four Priorities and merger stock credits with performance objectives relating to attainment of certain Federated-May merger synergies. These stock credits were awarded on March 24, 2006. At the end of fiscal 2007, the CMD Committee will evaluate the performance results for the stock credits granted in fiscal 2006 that are subject to performance criteria and may reduce the number of performance-based stock credits held by participants based on the attainment of the performance criteria. The stock credits will then be subject to a two-year and three-year holding period, with the value of the stock credits being paid out in cash in Spring 2010 and Spring 2011. For a more detailed description of the 2006-2007 stock credit plan and the terms of the stock credits awarded to Mr. Tysoe, see the “Stock Credits” discussion in the “Compensation Discussion and Analysis.”

Outstanding Equity Interests

The following table sets forth certain information regarding the total number and aggregate value of options, stock credits and restricted stock held by each of the Named Executives at February 3, 2007. The dollar amount shown for stock credits and restricted stock is calculated by multiplying the number of stock credits or shares of restricted stock, as applicable, by the closing price of Federated common stock (\$41.88) on the last trading day of the fiscal year.

2006 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options	Number of Securities Underlying Unexercised Options	Option	Option Expiration	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested	Equity Incentive Plan Awards:	Equity Incentive Plan Awards:
							Number of Shares, Units or Other Rights That Have Not Vested	Number of Unearned Shares, Units or Other Rights That Have Not Vested
							That Have Not Vested	That Have Not Vested
(#)	(#)	Exercise Price	Option Expiration	That Have Not Vested	Not Vested	Have Not Vested	That Have Not Vested	
(1)	(1)	(\$)	Date	(#)	(\$)	(#)(2)	(\$)	
Lundgren	225,000	0	25.6250	3/27/08				
	600,000	0	16.2187	2/25/10				
	306,976(3)	0	21.5000	6/08/11				
	500,000	0	21.3400	3/22/12				
	375,000	125,000	12.7900	2/24/13				
	137,500	137,500	25.0050	3/26/14				
	137,500	412,500	30.5350	3/25/15				
	0	177,352	36.2600	3/24/16				
					100,000(8)	4,188,000		
					214,522(9)	8,984,181	166,300	6,964,644

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Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options	Number of Securities Underlying Unexercised Options	Option	Option Expiration	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
	(#) Exercisable	(#) Unexercisable	Exercise Price				Have Not Vested	That Have Not Vested
	(1)	(1)	(\$)	Date	(#)	(\$)	(#)(2)	(\$)
Hoguet	84,000	0	25.6250	3/27/08				
	46,000	0	16.2187	2/25/10				
	46,000	0	21.4250	3/23/11				
	153,488(3)	0	21.5000	6/08/11				
	60,000	0	21.3400	3/22/12				
	82,500	27,500	14.2850	3/28/13				
	27,500	27,500	25.0050	3/26/14				
	13,750	41,250	30.5350	3/25/15				
	0	38,970	36.2600	3/24/16				
	0	125,000(4)	36.5100	7/11/16				
					42,000(8)	1,758,960		
					57,986(9)	2,428,454	36,542	1,530,379
Cody	120,000	0	25.6250	3/27/08				
	100,000	0	21.4250	3/23/11				
	203,720(3)	0	21.5000	6/08/11				
	100,000	0	21.3400	3/22/12				
	32,500	32,500	14.2850	3/28/13				
	32,500	32,500	25.0050	3/26/14				
	16,250	48,750	30.5350	3/25/15				
	0	38,970	36.2600	3/24/16				
					64,544(9)	2,703,103	36,542	1,530,379
Cole	72,000	0	16.2187	2/25/10				
	72,000(5)	0	16.2187	2/25/10				
	36,000	0	21.4250	3/23/11				
	164,930(3)	0	21.5000	6/08/11				
	72,000	0	21.3400	3/22/12				
	0	32,500	14.2850	3/28/13				
	32,500	32,500	25.0050	3/26/14				
	16,250	48,750	30.5350	3/25/15				
	0	38,970	36.2600	3/24/16				
	0	150,000(4)	36.5100	7/11/16				
					50,000(8)	2,094,000		
					64,544(9)	2,703,103	36,542	1,530,379

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Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options	Number of Securities Underlying Unexercised Options	Option	Option	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
	(#) Exercisable	(#) Unexercisable	Exercise Price (\$)	Expiration Date	(#)	(\$)	(#)(2)	(\$)
Grove	42,000	0	25.6250	3/27/08				
	30,000(6)	0	19.0312	3/26/09				
	72,000	0	16.2187	2/25/10				
	36,000	0	21.4250	3/23/11				
	159,348(3)	0	21.5000	6/08/11				
	72,000	0	21.3400	3/22/12				
	97,500	32,500	14.2850	3/28/13				
	32,500	32,500	25.0050	3/26/14				
	16,250	48,750	30.5350	3/25/15				
	0	38,970	36.2600	3/24/16				
	0	150,000(4)	36.5100	7/11/16				
					51,000(8)	2,135,880		
					64,544(9)	2,703,103	36,542	1,530,379
Kronick	50,000(6)	0	19.0312	3/26/09				
	32,000(5)	0	16.2187	2/25/10				
	72,000	0	21.4250	3/23/11				
	207,232(3)	0	21.5000	6/08/11				
	72,000	0	21.3400	3/22/12				
	97,500	32,500	14.2850	3/28/13				
	32,500	32,500	25.0050	3/26/14				
	16,250	48,750	30.5350	3/25/15				
	0	38,970	36.2600	3/24/16				
	0	200,000(4)	36.5100	7/11/16				
Tysoe					50,000(8)	2,094,000		
					64,544(9)	2,703,103	36,542	1,530,379
	240,000(7)		32.0312	3/27/08				
	240,000(7)		35.8750	3/27/08				
	240,000(7)		39.7187	3/27/08				
	100,000		21.4250	3/23/11				
	230,232(3)		21.5000	6/8/11				
	100,000		21.3400	3/22/12				
	0	32,500	14.2850	3/28/13				
	32,500	32,500	25.0050	3/26/14				
	16,250	48,750	30.5350	3/25/15				
					60,894(9)	2,550,241	54,824	2,296,029

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- (1) Unless otherwise noted, all options vest at a rate of 25% per year over the first four years of the ten-year option term.
- (2) Performance-based stock credits vest at the end of fiscal 2007, subject to the satisfaction of performance criteria. Shares that vest will then be subject to the holding periods described in the “Stock Credits” discussion in the “Compensation Discussion and Analysis.”
- (3) Stock options vested 100% on 6/1/05.
- (4) Stock options vest 100% on 7/11/09.
- (5) Stock options vested 100% on 2/25/04.
- (6) Stock options vested 100% on 3/26/03.
- (7) Stock options vested 100% on 3/27/02.
- (8) Time-based restricted stock. For Mr. Lundgren, the shares vested on 2/28/07. For Mrs. Hoguet, Mr. Cole and Ms. Kronick, the shares vest on 7/11/09. For Ms. Grove, 500 of the shares vested on 3/26/07, 500 of the shares vest on 3/26/08 and the remaining 50,000 shares vest on 7/11/09.
- (9) Time-based and vested performance-based stock credits, subject to satisfaction of holding periods that expire as follows:

	Holding Period Expiration Date			
	2/4/08	2/2/09	2/1/10	1/31/11
Lundgren	57,372	57,372	49,889	49,889
Hoguet	18,031	18,031	10,962	10,962
Cody	21,310	21,310	10,962	10,962
Cole	21,310	21,310	10,962	10,962
Grove	21,310	21,310	10,962	10,962
Kronick	21,310	21,310	10,962	10,962
Tysoe	39,584	21,310	0	0

The following table sets forth certain information regarding the value realized by each of the Named Executives during fiscal 2006 upon the exercise of stock options and vesting of restricted stock.

2006 OPTION EXERCISES AND STOCK VESTED

	Option Awards		Stock Awards	
	Number of Shares	Value Realized Upon Exercise(1)	Number of Shares Acquired on Vesting	Value Realized on Vesting
Name	Acquired on Exercise (#)	(\$)	(#)	(\$)
Lundgren	262,500	4,880,469	0	0
Hoguet	44,000	687,251	0	0
Cody	185,000	2,506,644	0	0
Cole	269,500	4,777,399	0	0
Grove	126,000	2,407,401	500	17,788
Kronick	232,000	3,305,408	0	0
Tysoe	197,500	4,460,013	0	0